

Cordero, Jackie

From: Ellis, Mike
Sent: Tuesday, December 07, 1999 5:06 AM
To: O'Neill, Richard
Cc: Hirsch, Ric
Subject: FW: TAIWAN: DVD REPLICATION & SHIPMENT: INFODISC AND CMC
Importance: High

Dear Dick,

Attached correspondence re Taiwan refers.

Extract:

Recently

50,000 pirate DVD's (probably intended for China and S/E Asia) were interdicted by Taiwan Customs as a direct result of the export control system.

It is for this very reason that I believe we have to close down on release of information re on going investigations. Now we have 9 other people in WB knowing about this!! Any pressure to release information can be booted upstairs to me. In view of the issues we have with trying to get the MJIB to do this raid we need to keep information restricted.

Regards,

Mike

-----Original Message-----

From: Marquardt-Jr, Rick [mailto:Rick.Marquardt-Jr@weamfg.com]
Sent: 06 December 1999 12:55
To: 'MOLLY KELLOGG@warnerbros.com'; Ross, Ed; Johnson, Gregg; mike_ellis@mpaa.org
Cc: Baier, Beth; Cardwell, Jim; Kaplan, David; King, Marsha; Marquardt-Jr, Rick; sam_ho@mpaa.org
Subject: RE: TAIWAN: DVD REPLICATION & SHIPMENT: INFODISC AND CMC

CAUTION: We need a procedure and assurance that there is zero delay for the next 30 days, otherwise, we can not guarantee delivering needed discs for WHV to make budget. It is impossible to determine ship quantities and schedules are changing daily.

-----Original Message-----

From: MOLLY KELLOGG@warnerbros.com [mailto:MOLLY_KELLOGG@warnerbros.com]
Sent: Sunday, December 05, 1999 10:44 PM
To: Ed.Ross@warnerbros.com; gregg_johnson@wmg.com; mike_ellis@mpaa.org
Cc: Beth.Baier@warnerbros.com; Jim.Cardwell@warnerbros.com; David.Kaplan@warnerbros.com; Marsha.King@warnerbros.com; rick_marquardt-jr@wmg.com; sam_ho@mpaa.org
Subject: TAIWAN: DVD REPLICATION & SHIPMENT: INFODISC AND CMC

Dear Gregg and Ed,

This is to outline the procedure we have put in place with MPA and INFODISC to ensure timely shipment of orders during this rush season. Please note that we will put the same system in place for CMC, since I understand that they are also replicating WAMO orders and will ship direct. GREGG PLEASE RESPOND BY RETURN E-MAIL THE CONTACT NAMES, TEL. NO. AND FAX FOR CMC. I have not put this system in place for RITEK,

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since I understand from Ed Ross that any DVD's manufactured by RITEK are qc'd at INFODISC, and shipped out by INFODISC.

1. As soon as INFODISC knows the titles and quantity that they will ship out, they can send documentation to MPA for the export permit. INFODISC can send this documentation up to 10 days prior to shipment.
2. The documentation that INFODISC sends to MPA consists of:
 - Title List
 - Quantity for each Title
 - DestinationIf there is a question as to the the quantity, INFODISC should include the largest quantity that they will probably be sending. For example, if the production order is for 100,000 pieces, and INFODISC would tend to add 10% for breakage, the documentation sent to MPA should be for 110,000 units.
3. Within a guaranteed 24 hour period, MPA will generate the export permit. This permit consists of an authorization letter from MPA incorporating the titles and quantity. The resulting export permit is sent back to INFODISC to be included in their shipping documents for the ship out.
4. The Taiwan Government body approving the export is the Government Information Office ("GIO"). They will approve the export as long as the MPA export permit covers the quantity of the shipment. This means that if the quantity on the MPA export permit is GREATER than the actual shipment, they will approve export. They will not approve export if the quantity on the MPA export certificate is LESS than the actual shipment. Hence, my suggestion above that INFODISC request documentation for the greatest amount of product that they will ship.
5. MPA has provided a mobile phone number for Hank Kwuo, head of the MPA office in Taiwan so that he can be reached at all times, including week-ends. MPA has authorized Hank to go into the MPA office over the week-end to produce the export certificate if this proves necessary for any given shipment. As a back-up, MPA has also provided the mobile number of Sam Ho, Regional Assistant Deputy Director, in case Hank Kwuo can not be reached, or if there is any problem. INFODISC can also always contact me.

This system should work to prevent any problems in shipment.

A word on the Taiwan Government export control system. This system, and the MPA certificates that are an integral part, this was set up a few years ago to help limit the export of pirate product from Taiwan. The system was originally set up by the music industry and MPA lobbied GIO to ensure that our optical disc product was covered as well. Although this system does not prevent all pirate product from being exported, we have experience with some product being stopped at the border. Recently 50,000 pirate DVD's (probably intended for China and S/E Asia) were interdicted by Taiwan Customs as a direct result of the export control system. Therefore, it is in our interest to keep GIO and the Taiwan Customs vigilant, and ensure that the export control system is as robust as possible. For this reason, I am not suggesting the use of "blank" MPA export certificates to be filled in by INFODISC or CMC.

Please feel free to contact me with any questions. I will be travelling in China from December 7th to December 15th. We cannot access our

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e-mail while travelling. Therefore if any urgent situation should arise, please contact me by phone in Beijing (you will be given a copy of my itinerary) AND for back-up, direct an e-mail marked URGENT to my assistant, Cora IP.

Gregg, please note that I have not copied INFODISC on any of this. I have referred to CMC in this e-mail, and I don't know whether there might be sensitivity about the CMC orders. I will send a separate copy to Carrie Hsu, setting out this procedure, together with contact numbers.

Regards,

Molly Kellogg

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